SDTA
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South Dakota Telecommunications Association
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EX PARTE

Chairman Michael K. Powell
Commissioner Kathleen Q. Abernathy
Commissioner Michael J. Copps
Commissioner Kevin J. Martin
Commissioner Jonathan S. Adelstein
Federal Communications Commission
445 12th Street, SW
Washington, DC

Re: Federal-State Joint Board on Universal Service, CC Docket No. 96-45

Dear Chairman Powell and Commissioners Abernathy, Copps, Martin and Adelstein:

The undersigned local exchange carrier (LEC) members of the South Dakota Telecommunications Association (SDTA) urge you to add equal access to the list of required services that must be provided by eligible telecommunications carriers (ETCs) in order to receive federal universal service support. The proponents of adding equal access to the list of required services set forth the reasons for doing so, both legal and policy, in the Recommended Decision released July 10, 2002. SDTA agrees with those arguments. In addition, SDTA believes that equal access must be included to promote fair competition among service providers and to benefit consumers.

There has been some argument that the Commission should defer the question of equal access to the pending Joint Board portability proceeding because it involves a question of whether providing support based on the incumbent LEC's cost is appropriate when the ETC does not provide equal access. While it is true that equal access obligations impose costs on LECs, the equal access issue is not simply a question of appropriate support levels. Rather, equal access must be included as a required service to establish competitive neutrality among ETCs. Currently, LEC ETCs must provide equal access and wireless ETCs do not. Not only does this impose costs on LECs that wireless ETCs can avoid, it also confers a competitive advantage on wireless ETCs because they are able to bundle toll and hence cross-subsidize services in a manner that allows the wireless provider to maximize its revenues in a way foreclosed to LECs. Just as the Commission found that competitive ETCs could not compete without access to the universal service "revenues" provided to incumbent LECs, LECs cannot compete when certain competitors have access to revenues that are precluded to LECs through regulation. The Commission has an opportunity to "level the playing field," in at least this respect, by requiring all ETCs to provide equal access.

For this reason, SDTA also strongly opposes deferring this issue to the Joint Board portability proceeding, which would delay unnecessarily

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resolution of this important competitive issue for eighteen to twenty-four months. Rather, the Commission is in a position to resolve this competitive issue now and it should promptly do so

Equal access also should be included as a required service for the benefit of consumers. All subscribers served by SDTA members have a choice in long distance carrier. In fact, South Dakota, as well as other states, created a centralized equal access provider to encourage competitive long distance carriers to provide service in the state, so that its citizens could benefit from equal access. However, as non-LECs become ETCs, subscribers are at risk of losing the benefit of equal access, not because there are no competitive long distance carriers in the state but because FCC rules and regulations allow non-LEC ETCs to deny their subscribers equal access to competitive long distance carriers. Under the current rules, subscribers could be denied the benefit of equal access in previously unserved areas where a non-LEC is the only ETC, and in areas where the LEC may exit the market. Thus, an equal access requirement is necessary for all ETCs to ensure that all consumers have access to competitive long distance services, whether or not there is a LEC ETC providing service

Consistent with section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we are filing one electronic copy of this notice in the above-captioned proceeding for inclusion in the record

Sincerely,
Member Companies of the SDTA

Don Snyders, General Manager
Alliance Communications Cooperative
Splitrock Properties, Inc.

Bruce Hanson, General Manager
Fort Randall Telephone Company
Mount Rushmore Telephone Company

Rick Frecmark, Local Manager
Armour Independent Telephone Company
Bridgewater-Canistota Independent Tele
Union Telephone Company

George Strandell, General Manager
Golden West Telecommunications Cooperative
Vivian Telephone Company dba
Golden West Communications

Wayne Ackland, General Manager
Beresford Municipal Telephone Company

Shane Ayres, Finance Officer
Faith Municipal Telephone Company

J.D. Williams, General Manager
Cheyenne River Sioux Tribe Tele. Auth.

Jerry Heiberger, General Manager
Interstate Telecommunications Cooperative

Doug Eidahl, General Manager
James Valley Telecommunications

Tom Connors, General Manager
Jefferson Telephone Company dba Long Lines

Mary Burnett, Office Manager
Kadoka Telephone Company

Craig Osvog, General Manager
Swiftel Communications

Rod Bowar, General Manager
Kennebec Telephone Company

John Pudwill, Jr., General Manager
Tri-County Telcom, Inc.

Bryan Roth, General Manager
McCook Cooperative Telephone Company

Steven Oleson, General Manager
Valley Telecommunications Cooperative

Mark Benton, General Manager
Midstate Communications, Inc.

Randy Houdek, General Manager
Venture Communications Cooperative

Pamela Harrington, General Manager
Roberts County Telephone Cooperative
RC Communications, Inc.

Jerry Reisenauer, General Manager
West River Cooperative Telephone Company

Gene Kroell, General Manager
Santel Communications Cooperative

Mick Grosz, General Manager
West River Telecommunications Cooperative

Dennis Law, General Manager
Sioux Valley Telephone Company

Alden Brown, General Manager
Western Telephone Company

Harold Nowick, General Manager
Stockholm-Strandburg Telephone Company

William Heaston, General Counsel
Prairie Wave Community Telephone